UNIVERSITY SYSTEM OF MARYLAND
Office of Government Relations
2014 End of Session Report
April 8, 2014

The Maryland General Assembly completed its work for the 2014 Legislative Session and adjourned Sine Die at midnight. Today marks the end of the fourth and final regular session of the 2011-2014 term and 434th General Assembly of Maryland. Nearly 2,700 bills were introduced this session. Collectively, some 1,117 originated in the Senate and 1,567 originated in the House. In addition, the University System of Maryland (USM) Office of Government Relations, in conjunction with the state legislative officials from each USM institution, tracked actively more than 75 individual bills that would have had varying impacts on the system, faculty, staff and students.

One of the main responsibilities of the Chancellor's Office is to prepare and advance the annual operating and capital budgets for the 11 universities, one research institution, and two regional higher education centers that comprise the USM. Working closely with the USM State Relations Council, and often with our colleagues across all sectors of education, at the same time USM succeeded in blocking or amending heavily several bills that would have imposed onerous new regulations or financially curtailed USM programs. At the same time, USM supported the Regional Institution Strategic Enterprise Zone Program and E-Nnovation introduced by the leadership of the House and the Senate; commended the work of advocates to make sure academically qualified youth legally deemed homeless had the resources to participate fully in the higher education experience; and provided the main advocacy for legislation to establish a new community college transfer scholarship.

The End-of-Session Report is a snapshot of the major issues the system faced during the Session and their final resolution. The report is broken into four parts: Background, Operating Budget, Capital Budget, and Bill Watch.

BACKGROUND

The Economic Climate

The 2014 Legislative Session for Maryland's public universities began in January amid improved state economic conditions and a series of upgraded employment and fiscal figures. Governor O'Malley submitted a budget that required no significant cuts.

In December, the Spending Affordability Committee reported:

"In September 2013, the Board of Revenue Estimates (BRE) issued a revised economic forecast for Maryland, its first since December 2012. BRE's new forecast revised down expected income growth in 2013 based on the weak performance in 2012 and in the first quarter of 2013. At the same time, BRE revised up its estimate of capital gains income growth in 2012 (from 35 to 50%) and in 2013 (from a decline of 10% to an increase of 10%) due to strong fundamentals in both financial markets and the housing market. In December 2013, BRE issued a new economic forecast that revised 2013 income growth down slightly based on the second quarter data but revised up expected growth in 2014 to 4.6%. BRE further increased their forecast of capital gains income in 2013 to growth of 20% based on the strong stock market performance through early December."

Maryland added 7,300 jobs (0.3 percent) to the state economy in December 2013, marking three consecutive months of job gains. The industries that added the most jobs were leisure and hospitality with 2,900 jobs (1.2 percent), professional business services with 2,700 jobs (0.6 percent) and trade, transportation, and utilities with 2,600 jobs (0.6 percent). The unemployment rate dropped 0.3 percentage points to 6.1 percent in December with the number of unemployed falling and workers leaving the labor force. The labor force participation rate in the state fell 0.1 percentage points to 66.7 percent in December. Residential permitting activity was down 19.4 percent in December and 15.7 percent since December 2012. Maryland housing starts were also down 31.0 percent in December, remaining 18.8 percent below the level reported in December 2012. However, according to CoreLogic Information Solutions, home prices fell 0.1 percent in December 2013 but values appreciated 6.2 percent since December 2012.

The Higher Education Climate

The annual Grapevine report is produced by the Illinois State University Center for the Study of Education Policy in cooperation with the State Higher Education Executive Officers. Since 1960, Grapevine has published an annual compilation of data on state tax support for higher education, including general fund appropriations for universities and colleges. Grapevine's latest report showed a majority of states have begun to reinvest slightly in public higher education. Forty states gave more money to public higher education for FY 2014 – from a scant 0.8 percent in Hawaii, 27 percent in New Hampshire, and 9 percent in Maryland. Arizona has cut funding for public higher education by one-third since 2009 and proposed a no-growth budget for state colleges for FY 2015. The cuts in Arizona fueled a 78.4 percent increase in tuition at public colleges from FY 2008 to FY 2013. Pennsylvania has reduced funding for public higher education by 20 percent since FY 2009 and was one of the 10 states to reduce funding again in FY 2014. North Carolina reduced state support for higher education by 3.2% in FY 2014.

The report also examines state spending on public colleges and universities **during the past five years**, essentially looking at where state higher education budgets stood at the start of the recession versus where they stand now. Looking specifically at the 10 states that have been designated as Maryland's "Competitor States" by the Department of Business and Economic

Development, only one state—California, at 8.1 percent— has increased higher education funding at a level on par with Maryland's increase of 8 percent. In fact, half the competitor states have seen higher education investment decrease more than 8 percent over the last five years. Interestingly, Maryland's unemployment rate of 6.1 percent is lower than eight of these 10 competitor states and a full point lower than half of them.

Throughout these past months in Annapolis, the Chancellor, the Board of Regents and the system institutions were committed to holding firm on the Governor's "no frills" FY 2015 budget. If higher education is to fuel the state's economy and workforce, it is undeniable that long-term strategic investments, with appropriate accountability metrics, are necessary to spur the system's ability to fulfill this commitment. Last year, the Governor included enhanced funding in vital areas of state and USM needs, including: technology transfer and commercialization; the use of technology in transforming academic instruction; and courses in science, technology, engineering and math (STEM). Over the past five years, the USM has implemented system wide spending controls allowing exceptions primarily to accommodate enrollment growth and to sustain critical functions.

With the passage of the FY 2015 budget, Governor O'Malley and the General Assembly have held the line on keeping Maryland's public universities affordable, accessible, of the highest quality and accountable. Policymakers in Maryland understand clearly the critical role a homegrown, college-educated workforce plays in not only attracting business and industry, but also creating high-paying jobs. **The operating and capital budgets provide strong evidence of the Governor and General Assembly's continuing support for public higher education and USM.** The Board of Regents, Chancellor Kirwan, and the institution presidents have persuasively and regularly delivered the message about the competitiveness of the USM in attracting the best and the brightest faculty, students, and skilled staff.

Our efforts do not happen in a silo. The USM Office of Government Relations, State Relations Council, Council of University System Staff (CUSS) and the Council of University System Faculty (CUSF), and the USM Student Council collaborated closely this year to share information and updates. Early in the legislative session, the USM Communications Council helped develop the message and major themes used throughout the presentations and publications. The ***"USM Quick Points of Excellence"*** was distributed to every member of the General Assembly.

It would be remiss not to acknowledge and thank the dedicated professional staff of the Department of Legislative Services (DLS), including both the analytical and committee staff of the House and Senate. These individuals provide critical analysis of the performance and function of the USM and often help translate the legislative intentions and objectives of those elected officials to whom they report.

USM OPERATING BUDGET -- FINAL ACTIONS

Over the past three months, USM has worked closely with Governor O'Malley and the Legislature to ensure access to exceptional and affordable academic opportunities. ***Overall, between the state general fund and Higher Education Investment Fund (HEIF), support for USM increases by just over $76 million in FY 2015, to approximately $1.246 billion – an increase of 6.5% over FY 2014.***

Key Budget Actions

- **The General Assembly adopted a total general fund cut to the USM of approximately $6.2 million including "back-of-the-budget" personnel reductions.** Originally, the Senate proposed a $17 million general fund cut and the House proposed a $12.6 million cut. Due to solid advocacy efforts and persuasive arguments of the Chancellor, USM presidents and members of the Board of Regents, **the General Assembly demonstrated, once again, tremendous leadership to maintain Maryland's top ranking among states in support for higher education.**

- A provision in the Budget Reconciliation and Financing Act –"***the BRFA"*** –as introduced for Fiscal 2015 included a pre-negotiated a $25.8 million fund balance transfer to the general fund from the USM. The General Assembly increased the amount of that transfer by $5.2 million to $31 million.

The Fund Balance Equation

The FY 2015 budget **does not** include enhancement funds to promote and foster key priorities of the USM, Governor O'Malley and the General Assembly. In January, the Governor proposed a budget of $1.25 billion for the USM for FY 2015 – an increase of $92 million, or about 8 percent. Included in the budget is a 2 percent "tuition buy down" that is intended to keep any tuition at a modest 3 percent. As noted earlier, this action helps to preserve Maryland's reputation as a national leader in college affordability. On the other hand, given the increase in USM's mandatory costs — salary and fringe benefit increases, new facilities, etc.— the Governor's budget proposal essentially enabled the USM to remain "level," with no additional enhancement funds.

There is a very important point to understand regarding the development of the budget. The USM faced the possibility of at least a $25.8 million cut from the level of funding in the Governor's budget as proposed. This would have meant, in effect, the elimination of essentially all of the enhancement funds the General Assembly approved last year, which led to the important advances in state priorities. Rather than allow this to happen, the Governor approved our request to replace these cuts with a $25.8 million transfer from the USM Fund Balance to the state. By sustaining the funding level in our base budget, the USM can maintain funding for vitally important priorities. And, through the transfer of fund balance, the USM can help the state achieve its fund balance goals with its FY 2015 budget.

Why would the USM voluntarily give up millions from its fund balance?

The answer is simple. Momentum to increase STEM enrollment, support academic transformation, and advance commercialization could not simply be a one-year phenomenon. The USM has a vested long-term interest to sustain these and ensure Maryland's competiveness in the knowledge economy.

The reality of the situation is that the final operating budget for FY 2015 represents a current services budget only, with no enhancement funds, with the exception of a $10 million forward-funded repayment. Nevertheless, the USM intends to work with this budget to make progress on state priorities the General Assembly funded previously and keeping the tuition increase modest.

Budget and Committee Narrative

Status Report on Progress Toward Programs Meeting Performance Metrics: The fiscal 2014 budget provided $13 million in general funds to fund program enhancements or initiatives directed toward three USM goals of (1) transforming the academic model; (2) increasing graduates in science, technology, engineering, and mathematics and health professions; and (3) helping the state achieve its 55% completion goal, which includes closing the achievement gap. The USM submitted a report in July 2013 detailing how these funds would be spent and metrics used to measure the progress or results of the enhancement-funded activities. The fiscal 2015 budget includes an additional $10 million for enhancements that were funded from fund balance in fiscal 2014. The committees are interested in the progress these activities have made to date toward meeting the metrics submitted in fiscal 2014 and additional metrics to measure the progress and results of the continued enhancements first funded in fiscal 2014 by fund balance.

Enhancing Collaborations Among Baltimore City Institutions: With changes in leadership at public higher education institutions in Baltimore City, the committees believe it is an appropriate time to enhance collaborations among these institutions. The committees are interested in the plans these institutions, including the University of Baltimore (UB), Coppin State University (CSU), and Baltimore City Community College (BCCC), have to increase collaborations related to all facets of the institutions, including academic collaborations that provide pathways for students to begin at one institution and transfer to another, administrative savings through cross-institution efficiencies, and student activities. The committees request that UB, CSU, and BCCC submit a report that provides a summary of the partnerships that currently exist among the institutions and specific plans to increase and enhance collaborations and partnerships. The report is due Nov. 1, 2014.

Report on Expanding the Achieving Collegiate Excellence and Success Program:

With the passage of the College and Career Readiness and College Completion Act of 2013, the General Assembly signaled its commitment to preparing students for college and careers in high school and creating pathways for 2- and 4-year college completion and successful entry into the workforce. Achieving these goals will require additional advising and mentoring of students in the public schools and higher education institutions, especially with changing student demographics that are challenging the state to increase access and college completion among underrepresented student populations. The recently launched Achieving Collegiate Excellence and Success (ACES) program, a partnership among Montgomery County Public Schools, Montgomery College, and the Universities at Shady Grove, targets underrepresented students in higher education and provides them with a seamless education pathway from high school to college completion. The committees are interested in expanding ACES to other school systems and higher education institutions using the partnership model established by ACES.

Therefore, the committees request that the USM, Maryland Association of Community Colleges (MACC) and Maryland State Department of Education (MSDE), in collaboration with local school systems, the Maryland Higher Education Commission, and higher education institutions, study the feasibility of expanding ACES. As part of the study, the College Readiness Outreach Program enacted by Chapter 429 of 2002 should be examined. The program, which has never been funded, has both a counseling component and an early commitment financial aid component that might be useful in considering a statewide college advising and mentorship program. A final report shall be submitted by Dec. 1, 2014 that includes recommendations for implementation of a statewide program.

Teacher Preparation Aligned with the Maryland College and Career Ready Standards: The committees are interested in how Maryland teacher education programs are adapting their programs to align with the Maryland College and Career Ready Standards (MCCRS) so that future teachers are being prepared to teach the depth of content and knowledge that students will need to master and demonstrate proficiency on new student assessments aligned with MCCRS, the Partnership for Readiness for College and Careers (PARCC) tests. The committees are also aware of the new accreditation standards adopted by the Council for the Accreditation of Educator Preparation (CAEP) that raise the bar for teacher education programs. The committees request that the USM, Morgan State University (MSU), the Maryland Independent College and University Association (MICUA), the Maryland Association of Community Colleges (MACC), and St. Mary's College of Maryland (SMCM) on behalf of their teacher education programs and in collaboration with the Maryland State Department of Education (MSDE), submit, by Dec. 1, 2014, a report on how the programs are aligned with MCCRS and PARCC expectations for students and steps that are being taken to meet the new CAEP standards.

Instructional Faculty Workload Report: The committees request that the USM, MSU and SMCM continue to provide annual instructional workload reports for tenured and tenure-track faculty. By focusing on the faculty cohort, the committees gain a sense of the teaching activities for the regular core faculty. However, there are other types of instructional faculty at institutions, such as full- and part-time non-tenured/non-tenure track faculty inclusive of adjunct faculty, instructors, and lecturers. Focusing on only tenured/tenure-track faculty provides an incomplete picture of how students are taught. Therefore, the report should also include the instructional workload when all types of faculty are considered. Additional information may be included at the institution's discretion. Furthermore, USM's report should include the percent of faculty meeting or exceeding teaching standards for tenured and tenure-track faculty for the University of Maryland, Baltimore.

Institutional Aid, Loan Data by Expected Family Contribution Category

In order to more fully understand all of the types of aid available to students, the committees request that undergraduate loan data be submitted for each USM institution. Data should include, by expected family contribution (EFC), the number of loans and average loan size of federal subsidized and unsubsidized loans, and loans from private sources reported to the MHEC for fiscal 2013. Additionally, data should be provided on Pell Grants including the number and average award size by EFC for FY 2014. The report is due December 15, 2014.

Preparing to Implement the Performance-based Funding Model

The committees request that the Maryland Higher Education Commission (MHEC) work with higher education institutions to test and refine the Performance Based Funding (PBF) Framework endorsed by MHEC in 2013. MHEC should submit a report, no later than September 1, 2014, that includes the results of modeling the PBF Framework using actual institutional data to simulate potential results of using PBF; any recommended adjustments to the Framework; and an appropriate amount of base funds to be allocated to PBF beginning with the fiscal 2016 budget.

Interagency Agreements

On or before August 1, 2014, each State agency and each public institution of higher education shall report to the Department of Budget and Management (DBM) any agreements in place for any part of fiscal 2014 between State agencies and any public institution of higher education involving potential expenditures in excess of $100,000 over the term of the agreement. Further provided that DBM shall provide direction and guidance to all State agencies and public institutions of higher education as to the procedures and specific elements of data to be reported with respect to these interagency agreements, to include at a minimum:

(1) a common code for each interagency agreement that specifically identifies each agreement and the fiscal year in which the agreement began; (2) the starting date for each agreement; (3) the ending date for each agreement; (4) a total potential expenditure, or not-to-exceed dollar amount, for the services to be rendered over the term of the agreement by any public institution of higher education to any State agency; (5) a description of the nature of the goods and services to be provided; (6) the total number of personnel, both full-time and part-time, associated with the agreement; (7) contact information for the agency and the public institution of higher education for the person(s) having direct oversight or knowledge of the agreement; (8) the amount and rate of any indirect cost recovery or overhead charges assessed by the institution of higher education related to the agreement; and, (9) the justification submitted to DBM for indirect cost recovery rates greater than 20%. Further provided that DBM shall submit a consolidated report to the budget committees and the Department of Legislative Services by December 1, 2014, that contains information on all agreements between State agencies and any public institution of higher education involving potential expenditures in excess of $100,000 that were in effect at any time during fiscal 2014.

Explanation: The language requires all State agencies and public institutions of higher education to report on all interagency agreements between State agencies and public institutions of higher education having a total potential expenditure over the term of the agreement in excess of $100,000. This applies only to agreements for the purchase of goods and/or services and does not apply to grants or space agreements between State agencies and public institutions of higher education. The report also requires DBM to report on the justification for any interagency agreement with an indirect cost recovery rate greater than 20%. Further, it requires that DBM submit a consolidated report on all agreements by December 1, 2014, to the budget committees and the Department of Legislative Services.

USM CAPITAL CONSTRUCTION BUDGET

Each year, the Governor proposes a budget that authorizes the issuance of debt (General Obligation Bonds) for capital projects within the USM. Included in the annual authorization are capital projects including construction of new facilities, renovation of existing facilities, improvements to infrastructure, property acquisition, and maintenance and renewal funding for facilities. USM urged full funding of the Governor's FY 2015 budget recommendations for all System institutions, as well as our system-wide Facilities Renewal program totaling $259.5 million. With a commitment of more than **$283 million in FY 2015** in general obligation and academic revenue bonds, the General Assembly approved all of the USM projects included in the Governor's Capital Budget **as well as** additional funding for projects not in the budget. USM relies heavily on our campus infrastructure to deliver quality academic programs and house critical research.

The USM must gain legislative approval to use academic revenue bond (ARB) proceeds for certain capital improvement projects at academic facilities. The Governor's fiscal 2015 Capital Improvement Program (CIP) proposed $32 million in ARBs annually in fiscal 2015 through 2019. The General Assembly approved for FY 2015 a capital budget that adopts the full $32 million in ARBs. The funding includes: **$17 million for facilities renewal projects** budgeted within the USM system office; and **$10 million for the H.J. Patterson Wing 1 renovation** and **$5 million for campus-wide building system and infrastructure improvements** at the University of Maryland, College Park.

The overall FY 2015 capital improvement program as approved by the General Assembly includes:

UNIVERSITY OF MARYLAND, COLLEGE PARK

- **Campus-wide Building System and Infrastructure Improvements.** Provide **$10 million** for campus-wide infrastructure improvements on the College Park campus.

- **Edward St. John Learning and Teaching Center & Chemistry Facilities Expansion**. Provide **$18.3 million** to design and construct the new Edward St. John Learning and Teaching Center, including design and construction of the addition for chemistry instruction.

- **H. J. Patterson Hall – Wing 1 Renovation.** Provide **$11.7 million** to design, construct, and equip the renovation of Wing 1 of H. J. Patterson Hall.

- **New Bioengineering Building.** Provide **$2.5 million** to plan and begin construction on a new Bioengineering Building.

BOWIE STATE UNIVERSITY

- **New Natural Sciences Center.** Provide **$23.3 million** to design and construct a new Natural Sciences Center.

- **Track and Field Improvements.** Provide **$500,000** for BSU track and field improvements.

TOWSON UNIVERSITY

- **Softball Facility.** Provide **$1.5 million** to construct infrastructure improvements to the softball facility.

UNIVERSITY OF MARYLAND EASTERN SHORE

- **New Engineering and Aviation Science Building.** Provide **$60.8 million** to construct and equip a new Engineering and Aviation Science Building.

FROSTBURG STATE UNIVERSITY

- **Public Safety Facility.** Provide **$400,000** to plan and design a new University Public Safety Facility.

COPPIN STATE UNIVERSITY

- **New Science and Technology Center.** Provide **$10.3 million** to construct and equip the new Science and Technology Center.

UNIVERSITY OF BALTIMORE

- **Langsdale Library.** Provide **$2.8 million** to design and construct the renovation of the Langsdale Library.

SALISBURY UNIVERSITY

- **New Academic Commons.** Provide **$45 million** to construct a new Academic Commons (Library).

UNIVERSITY OF MARYLAND BALTIMORE COUNTY

- **Campus Traffic Safety and Circulation Improvements.** Provide **$10 million** to design and construct improvements to the campus vehicular circulation system.

- **Interdisciplinary Life Sciences Building.** Provide **$4.1 million** to design a new building for interdisciplinary and life sciences research.

UNIVERSITY OF MARYLAND CENTER FOR ENVIRONMENTAL SCIENCE

- **New Environmental Sustainability Research Laboratory**. Provide **$10.6 million** to construct the New Environmental Sustainability Research Laboratory, demolish the existing R. V. Truitt Controlled Environmental Laboratory building, and relocate utilities.

UNIVERSITY SYSTEM OF MARYLAND OFFICE

- **Shady Grove Educational Center – Biomedical Sciences and Engineering Education Building.** Provide **$4.3 million** to plan and design a Biomedical Sciences and Engineering Education Facility at the Shady Grove Educational Center.

- **Southern Maryland Regional Higher Education Center New Phase III Facility.** Provide **$1 million** for planning and design of the Southern Maryland Regional Higher Education Center New Phase III Facility.

USM BILLWATCH

House Bill 14
Small Business Reserve Program - Procurements by Designated Procurement Units
USM Position: Support with Amendment
Final Status: Held in Committee

House Bill 14 requires procurements with an expected value between $15,000 and $100,000 be designated for the Small Business Reserve (SBR) program. The procurement officers at several of the USM institutions raised concerns about the proposed changes in the SBR program. As written, the USM believed House Bill 14 would not improve in any significant way small business participation with the university system. Nonetheless, USM worked with the Governor's Office of Minority Affairs (GOMA) to craft amendments to insure that any changes to the SBR law furthers the Effectiveness and Efficiency (E&E) Initiative the USM has built into its procurement process.

As a model for establishing effective and efficient business practices, the USM has saved $40 million during the past 10 years via those initiatives on procurement and energy costs alone. These strategic sourcing practices include leveraging the system's procurement power through the use of cooperative procurements, master contracting, participation in consortia and streamlining processes below certain dollar thresholds. Many procurements below $100,000 such as research equipment and supplies, proprietary software licenses and copyrighted library materials simply cannot be supplied by Maryland small businesses.

The USM has and will continue to support the SBR program and has outperformed the state in SBR participation over the last four years. An example of this commitment is the consistent annual increase in small business participation with USM institutions. For example, the small business utilization rate at the University of Maryland, Baltimore, went from 3.24% in FY 2012 to 7.39% in FY13 – the highest level ever. The University of Maryland University College reports an increased rate from 3.05% in FY 2012 to 13.28% in FY 2013 and Towson University's SBR ratio exceeded the statutory10% for the first time in FY 2013.

SBR participation rate for FY 2013 was 10.65% compared to the GOMA figure of 6.2% for the state as a whole. Moreover, USM's FY 2014 2nd quarter performance is greater than 16% SBR participation.

House Bill 18
(Senate Bill 74)
Institutions of Higher Education - Student Notification - Financial Information
USM Position: Monitor
Final Status: Passed

These bills would require, beginning with the 2014-2015 academic year, public institutions of higher education to provide all first-time, full-time undergraduate freshmen with information on the cost of higher education at the institution by completing and mailing or providing electronically, at a minimum, the information contained on the form known as the Financial Aid Shopping Sheet, as promulgated by the U.S. Department of Education. The shopping sheet, or the information contained in the sheet, must be mailed or provided electronically at the same time that an award of federal financial aid is sent to a student.

The Financial Aid Shopping Sheet is intended to offer students and families an easy-to-read award letter that delivers the bottom line on college costs. The USM agreed to participate voluntarily in partnership with the US Department of Education on providing the Financial Aid Shopping Sheet more than two years ago. These bills would have no tangible impact on the USM.

House Bill 19
Higher Education - Sexual Assault Surveys and Sexual Assault Victim Advocates
USM Position: Oppose
Final Status: Held in Committee

House Bill 19 would require Maryland Higher Education Commission (MHEC), in consultation with the Department of Health and Mental Hygiene (DHMH) and the Governor's Office of Crime Control and Prevention, to establish the administration of a sexual assault survey every three years by each institution of higher education in the state by June 1, 2015.

Testifying on behalf of the USM were Frostburg State University police chief Cindy Smith and Dr. Deb Moriarty, the Vice President of Student Affairs at Towson University. Chief Smith and Dr. Moriarty did an exemplary job explaining the procedural aspects in the aftermath of a sexual assault, the outreach and promotion of services for victims, and the education of students, faculty and staff to help open the conversation on sexual assault.

USM testified that 25 years of clinical investigation have not only divulged the prevalence of campus sexual assault, but also illuminated how such violence happens and why college and university communities are so conducive to a high incidence of acquaintance sexual assault. College leaders have understood that first-year students in their late teens are the most vulnerable group and can link substance use and violence. Counselors and advocates know that acquaintance rape is more prevalent than attack by a stranger and the USM acknowledges a large discrepancy between the number of actual assaults and reported assaults. Several studies reveal that the men and women hold very different opinions about what constituted acceptable sexual behavior.

However, House Bill 19 sets an unrealistic expectation that MHEC, in consultation with DHMH, perform a tremendously sensitive survey every three years. The bill assumes that the survey design and delivery can be performed by state agencies outside the university and effortlessly merge or co-adopt a human subjects review policy.

The one common denominator that campus sexual assault surveys have shared is that the design and delivery occurred in the university or clinical setting demanding strict clinical review and use of data standards. USM argued that research and surveys, especially of our own diverse student populations, should remain steadfastly the purview of individual colleges and universities. Such activity requires a high level of cooperation, expertise, legal liability and informed consent.

National attention has turned to sexual violence – actual or threatened sexual assault – and the problems it poses for the classroom, campus, and greater community. A report released by the White House Council on Women and Girls entitled, “Rape and Sexual Assault: A Renewed Call to Action” reveals that nearly 1 in 5 women, and 1 in 71 men, have experienced rape or attempted rape in their lifetimes. This is unacceptable. And as the President noted, this is a population-wide problem that requires action on the part of all adults, both men and women.

House Bill 56
Sales and Use Tax - Tax-Free Periods - School Supplies and Textbooks
USM Position: Support
Final Status: Held in Committee

House Bill 56 would create a tax-free period for any school supply or textbook costing $500 or less with the items (clothing and footwear) that are currently exempt during the annual state sales tax-free period, which runs from the second Sunday in August through the following Saturday.

A “school supply” is defined as any item purchased for use in the classroom, for schoolwork completed in school, or for any school activity. A “textbook” is defined as a book written, designed, and produced for educational, instructional, or pedagogical purposes.

House Bill 103
Capital Projects - Submission of Information to the General Assembly
USM Position: Oppose
Final Status: Unfavorable Report by Appropriations; Withdrawn Appropriations

House Bill 103 stated that when the request for an appropriation for a capital project is submitted to the General Assembly, the *department* shall submit to the General Assembly instead of the unit of the state government that would receive the capital project.

House Bill 194
Optional Retirement Program - Payment of Benefits - Criteria
USM Position: Oppose
Final Status: Unfavorable Report by Appropriations

The USM expressed serious concerns regarding House Bill 194, which would require the state to substantially alter its Optional Retirement Program (ORP) with the Internal Revenue Service to permit some faculty and staff to access plan benefits before they actually retire. Specifically, the bill would allow any ORP participant who is 70½ years old or older to take distributions from his or her retirement account, even if faculty or staff member continues to be employed full-time.

USM argued that the OPR was intended, from the time that it was established to the present, to be just that – a retirement program. Its purpose is to provide faculty and institution administrators with a primary source of retirement income that is adapted to the transient nature of higher education employment. The ORP is offered to an employee as an alternative to traditional state retirement plans, not in addition to such plans. It is a core retirement plan funded with state dollars, not a supplemental plan funded by voluntary employee contributions. The intent of the ORP is to provide retirement income, not to provide supplemental income to an employee's regular state salary. If House Bill 194 were enacted, the ORP would be an anomaly among all of the state's other retirement plans in allowing its participants to access the plan's proceeds while still employed full-time.

House Bill 194 would also make Maryland an outlier among optional higher education retirement plans nationally. Among seven major state university systems that we were able to research, only one (Texas) allows ORP distributions at age 70 ½ regardless of employment status. All of the rest (California, Florida, Georgia, New York, North Carolina, and Virginia) align with Maryland in requiring an employee to retire before accessing ORP benefits.

This overwhelming trend among higher education institutions reflects sound business and academic practice. Turnover among long-term faculty provides an opportunity for academic rejuvenation, bringing fresh ideas and flexibility to meet evolving institutional needs. House Bill 194 would introduce a new and serious disincentive to retirement by allowing participants to receive retirement distributions while on the full-time institution payroll.

Finally, while the ability to access ORP payments before retirement may seem attractive to employees at first glance, it poses potential problems as well. For example, these may take the form of a loss of the tax advantage of post-retirement distributions; and a risk to assuring life-long distributions to a retiree or the retiree's spouse or dependents, required by DBM regulations as a condition of continuing health benefits eligibility.

House Bill 359
(Senate Bill 75)
Alcoholic Beverages - Maximum Alcohol Content
USM Position: Support
Final Status: Passed

This legislation prohibits a retailer from selling an alcoholic beverage with alcohol content by volume of 95% (190 proof) or more. A person who violates this provision would be guilty of a misdemeanor and subject to a fine not exceeding $1,000. Currently, an alcoholic beverage containing 95% alcohol (190 proof) or more is often referred to as "grain alcohol." The retail sale of grain alcohol is illegal or restricted for non-potable use in at least a dozen states, including neighboring Pennsylvania, Virginia, and West Virginia. Although the amount of alcohol in other beverages can vary by brand, most liquor contains 40-50% alcohol (80-100 proof).

Towson University's President Loeschke testified in the House committee. Frostburg State University President Jonathan C. Gibralter testified in the Senate committee. During his January 23 testimony on the bill, Dr. Gibralter pressed policymakers to ban grain alcohol. In addition to being cheap, odorless and tasteless, Dr. Gibralter explained further:

"Grain alcohol's sole purpose is basically to impair people very quickly. It is seen as a cheap, reliable and effective way to get drunk on as few drinks as possible, sometimes without the person knowing he or she is drinking it. Not surprisingly, grain alcohol's potency makes it a popular option for college students who want a cheap and efficient way to get very drunk very quickly. Many of these students are young people who are on their own for the very first time and who associate drinking with the typical college experience. When you throw in something like grain alcohol, as you can imagine, this becomes a very dangerous scenario. The results of this scenario can include everything from death and suicide to having unprotected sex to missing class, falling behind and dropping out of college."

House Bill 393
(Senate Bill 976)
Higher Education - Loan Repayment Program for Home Buyers in Distressed Areas – Establishment
USM Position: Monitor
Final Status: Unfavorable Report by Ways and Means

This legislation would have established the Loan Repayment Program for Home Buyers in Distressed Areas to assist in the repayment of higher education loans. The Office of Student Financial Assistance (OSFA) within MHEC would have been required to assist in the repayment of the amount of any higher education loan owed by an individual who (1) is a participant in the Janet L. Hoffman Loan Assistance Repayment Program (LARP); (2) has bought a home in a distressed area of the state; and (3) satisfies any other criteria established by OSFA. Any loan repayment assistance given to a participant under this program is separate from any assistance given under LARP. Beginning in fiscal 2016 and each fiscal year thereafter, the Governor must have included in the annual budget bill an appropriation of $150,000 for the program. OSFA would have had to report annually by Jan. 1 on the implementation of the program.

House Bill 396
(Senate Bill 446)
Commission on Accessibility Concepts in Computer Science, Information Systems, and Information Technology Programs in Higher Education
USM Position: Monitor
Final Status: Passed

The Department of Disabilities (DOD), in cooperation with the National Federation of the Blind, shall study accessibility concepts in computer science, information systems, and information technology programs in higher education. As part of the study, the department shall convene a workgroup that consists of: provosts, chief information officers, and faculty members in computer science, information systems, and information technology programs in higher education from the USM and other segments of higher education.

A preliminary report with findings and recommendations is due by Dec. 15, 2015, and a final report is due by June 30, 2017.

House Bill 482
(Senate Bill 455)
Higher Education - Unaccompanied Homeless Youth - Tuition Exemption
USM Position: Support
Final Status: Passed

Senate Bill 455 and House Bill 482 expand eligibility for tuition and mandatory fee waivers for public institutions of higher education for unaccompanied homeless youth.

To receive a waiver, an unaccompanied homeless youth must meet the federal definition of "unaccompanied homeless youth" in the McKinney-Vento Homeless Assistance Act – Title X, Part C of the Elementary and Secondary Education Act. The Act defines an unaccompanied homeless youth as a youth whose living situation is not "fixed, regular, and adequate nighttime residence," (homeless) and who is "not in the physical custody of a parent or guardian" (unaccompanied). The Act provides examples of living arrangements that would be considered homeless, including living in emergency and transitional shelters, living doubled-up with others due to loss of housing, and living on the street, in an abandoned building or in a car. The most common type of living situation for unaccompanied homeless youth is that of living doubled-up, often bouncing between the homes of different relatives or friends ("couch-surfing"). When determining whether a youth is an unaccompanied homeless youth, financial aid directors have the discretion to rely upon a documented interview with the youth if formal written documentation is not available. The legislation adds a category to the current tuition exemption for foster care recipients and would take effect July 1st.

The Department of Legislative Services (DLS) said in its analysis that, “Due to the potential number of unaccompanied homeless youth in the state, the overall impact may be significant.” DLS believes the impact would be felt greatest at Maryland’s community colleges. Tuition revenues at community colleges decrease by approximately $3,800 per full-time equivalent (FTE) qualifying for the tuition waiver beginning in FY 2015. Analysts expect it would cost the USM $8,500 per FTE qualifying for the tuition waiver beginning in FY 2015.

House Bill 531
Higher Education - Community Colleges - Bachelor's Degree Programs
USM Position: Oppose
Final Status: Held in Committee

House Bill 531 would authorize community colleges to offer upper level undergraduate courses and degree programs and award bachelor’s degrees. In a joint letter to the committee, the Maryland Independent Colleges and Universities Association (MICUA), the USM and MHEC all urged an unfavorable report and voiced opposition to the bill.

USM has worked diligently with lawmakers to create the strategies that will expand educational opportunities from Baltimore City to Southern Maryland and in nearly every corner of the state. The significant investment in the regional higher education centers has improved access to established baccalaureate degrees that are fully accredited and ranked highly among their peers. These are high quality programs and degrees being offered by both USM and MICUA institutions often in close collaboration with community college partners.

The development of a baccalaureate degree must be designed to ensure that the new programs fit the mission of the institution, have potential for excellence, and have strong intellectual leadership and adequate resources to achieve accreditation, additional library holdings, and associated research and externship opportunities for undergraduates. Upper division teaching and new program development is not inexpensive. The accreditation and approval process can be lengthy.

House Bill 531 does not present a solution to any problem that the Maryland higher education community may be experiencing at this time. Moreover, abandoning the missions of community colleges is not in the best interests of the state, the students, the employers, or the taxpayers of Maryland. The USM believed that time and effort is best spent continuing to invest in real partnerships with our community college partners cemented by the financial support and encouragement of the Governor and the General Assembly.

House Bill 546
Higher Education - Janet L. Hoffman Loan Assistance Repayment Program - Modifications
USM Position: Support
Final Status: Passed

Currently, LARP provides loan repayment assistance in exchange for certain service commitments to help ensure that underserved areas of the state have sufficient numbers of primary care physicians, dentists, and professionals serving underserved areas of the State or low-income families. The program is subdivided into LARP, the Maryland Dental Care Loan Assistance Repayment Program, and the Maryland Loan Assistance Repayment Program for Physicians. Individuals must be employed full time in state or local government or in a nonprofit organization that assists low-income, underserved residents or underserved areas in the state.

This bill requires the Office of Student Financial Aid (OSFA) within MHEC to adopt regulations for the Janet L. Hoffman Loan Assistance Repayment Program (LARP) to establish (1) a procedure and schedule for the monthly or annual payment of the amount of loan assistance provided by OSFA to the eligible account, as appropriate, to assist an eligible individual in meeting loan forgiveness program requirements; (2) a requirement that an eligible individual apply to federal loan forgiveness programs for which the individual may qualify; and (3) a requirement that an eligible individual notify OSFA if the individual receives other loan repayment assistance.

House Bill 736
(Senate Bill 251)
Public Schools and Institutions of Higher Education - Artificial Trans Fat – Prohibition
USM Position: Oppose
Final Status: Unfavorable Report by Health and Government Operations; Withdrawn

These bills would have prohibited a public school or a public institution of higher education from storing, distributing, holding for service, using in the preparation of any menu item, or serving food containing artificial trans fat. “Artificial trans fat” is defined as the specific type of fat formed by adding hydrogen to liquid vegetable oil to make the oil more solid, and it includes partially hydrogenated vegetable shortening, margarine, and vegetable oil.

House Bill 741
(Senate Bill 601)
Business and Economic Development - Maryland E-Nnovation Initiative Program
USM Position: Support
Final Status: Passed

Senate Bill 601 establishes the Maryland E-Nnovation Initiative Program and the Maryland E-Nnovation Initiative Fund Authority (MEIFA) within the Department of Business and Economic Development (DBED). Chancellor Kirwan, Regent Gary Attman and Presidents Wallace Loh and Jay Perman testified in support of the measure.

Higher education institutions may create research endowments and, upon securing matching private donations, state matching funds may be distributed to the endowments. Endowment proceeds must be expended to further basic and applied research in scientific areas, as outlined in the bill, that offer promising and significant economic impacts and the opportunity to develop clusters of technological innovation in the state, including cyber technology, energy and environmental sciences, and space and aerospace sciences, among others. Proceeds may only be spent (1) for the base salaries of newly endowed chairs and associated staff and support personnel; (2) to fund related graduate and undergraduate student research fellowships; and (3) to purchase basic infrastructure including lab equipment and other related materials.

Subject to specified conditions, the governing body of each higher education institution may create and administer one or more research endowments to receive distributions from MEIF and "qualified donations." A private donation to a research endowment must be considered a qualified donation if (1) the donation or pledge is expressly restricted by the donor for one or more of the eligible uses for MEIF proceeds under the bill; (2) the individual donation or pledge is a minimum of $500,000 or is bundled with other qualified donations to meet the $500,000 threshold; and (3) the nonprofit institution of higher education accepts the donation from specified entities. All or a portion of unrestricted gifts or bequests may also be designated by the institution for use as a qualified donation.

The president of each institution must make the initial determination of whether a donation constitutes a qualified donation. The president must also provide a report to the governing body of the institution at least once each fiscal year regarding the amount of qualified donations the institution has received. An individual in a position funded by endowment proceeds must (1) work at least one day each week in support of a federal laboratory or associated federal laboratory research support organization; or (2) hold a joint appointment or secondary position at another nonprofit higher education institution in the state; or (3) work at least one day each week in support of entrepreneurial activities with a company engaged in one or more of the research areas identified in the bill.

House Bill 742
(Senate Bill 600)
Regional Institution Strategic Enterprise Zone Program USM
Position: Support
Final Status: Passed

Senate Bill 600 establishes the Regional Institution Strategic Enterprise (RISE) Zone Program to be administered by the Department of Business and Economic Development (DBED). Chancellor Kirwan, Regent Attman and Presidents Wallace Loh and Jay Perman testified in support of the measures.

The Secretary of DBED must adopt regulations on evaluating applications and may establish other requirements by regulation for RISE zone designations. The purpose of the RISE Zone program is to access institutional assets that have a strong and demonstrated history of commitment to economic development and revitalization in the communities in which they are located. Beginning July 1, 2015, a qualified institution (such as an institution of higher education or a Federal lab) can apply jointly with a county, a municipal corporation, or the economic development agency of a county or municipal corporation to the DBED Secretary to designate an area as a RISE Zone.

The Secretary DBED may designate an institution as a qualified institution if the institution:

- Has evidence of an intention to (1) make a significant financial investment or commitment; (2) use the resources and expertise of the institution to spur economic development and community revitalization; and (3) create a significant number of new jobs in an area that is proposed to become a RISE zone;

- Has demonstrated a history of community involvement and economic development within the communities that the institution serves; and

- Meets the minimum financial qualifications established by the Secretary of Business and Economic Development.

- The Secretary of DBED shall assign to a RISE zone a business and community development concierge. The concierge shall assist entities locating in the RISE zone with: (1) State, county, or municipal corporation permit and license applications; (2) accessing existing programs at the Department, the Department of Housing and Community Development, the Department of Labor, Licensing, and Regulation, the Maryland Technology Development Corporation, or the Department of Transportation; and (3) any other activities the Secretary authorizes that relate to the development of the RISE zone.

A business entity that locates in a RISE zone is entitled to a property tax credit, an income tax credit, a special income tax depreciation allowance, and consideration for assistance from the state's economic development and financial assistance programs.

The governing body of a county or of a municipal corporation shall grant a tax credit in RISE zones against the property tax imposed on the eligible assessment of qualified property. Except as otherwise provided, the appropriate governing body shall calculate the amount of the tax credit under this section equal to a percentage of the amount of property tax imposed on the eligible assessment of the qualified property as follows: (i) at least 50% in the first taxable year following the calendar year in which the property initially becomes a qualified property; and (ii) at least 10% in the second through fifth taxable years.

House Bill 809
Maryland Tort Claims Act - Damages Sustained on Artificial or Synthetic Turf Playing Fields
USM Position: Oppose
Final Status: Unfavorable Report by Judiciary

House Bill 809 specifies that a tort action for damages sustained by an individual on an artificial or synthetic turf playing field owned or operated by a local government is not subject to the limits on liability under the Local Government Tort Claims Act (LGTCA). The bill also prohibits the state from raising sovereign immunity in a tort action for damages sustained by an individual state-operated artificial or synthetic turf playing field and specifies that the Maryland Tort Claims Act's (MTCA) limits on liability do not apply to a judgment award in such a tort action

The USM expressed deep concerns that House Bill 809 would give individuals who have sustained any injury on a state-owned turf field the ability to sue these jurisdictions without limit. USM institutions have very active and highly successful athletic programs that require the use of turf fields. Not only does USM provide student athletes with the opportunity to utilize these turf fields, but the system also allows third parties, including various summer camps, rec council, and high school programs, to use our turf fields for training and athletic development purposes.

An individual using USM turf fields as a matter of institutional courtesy might sustain a sports-related injury and subsequently have the ability to bring a tort claim an at an unlimited amount. USM explained to committee members that to defend our institutions against tort claims regarding the use of these facilities would have to come from existing financial resources. Potentially expensive lawsuits would significantly reduce our own sports offerings and most likely end many of our outreach programs to members of the community (including those involving the sports teams of local high schools).

While the motivation for this legislation derived from the potential respiratory effects of the chemical composition of these turf fields, USM assured the committee that our facilities are healthy and safe for all of our users and feel it necessary to point out that the data utilized by those concerned about respiratory effects is inconclusive and, in many cases, incomplete.

House Bill 815
(Senate Bill 712)
State Personnel - Service Contracts - Procurement, Audit, and Reporting Requirements
USM Position: Oppose
Final Status: Unfavorable Report by Health and Government Operations

House Bill 815 would have expanded the application of an exclusive preference to use state employees to provide services that could otherwise be contracted to an outside vendor.
The bill also requires an agency that seeks to enter into a service contract to provide a copy of the information to the union representative of the employees who may be affected by the service contract and, on request, to a member of the public. It further specifies that service

contracts are subject to audits to determine compliance with requirements and that the audit findings must be reported to the General Assembly.

The USM expressed deep concern that House Bill 815 would likely result in unintended consequences that offer little or no benefit to the state. The bill would set in motion a fundamental change in the way that services are provided, including emergency contracts or services that demand a high degree of expertise. Executive branch agencies with independent personnel systems encompass a broad range of service contracts with few exceptions. The USM fully appreciates the need to safeguard the interests of state employees in agency contracting for services and does not enter into service contracts that would result in a reduction in state employees' jobs unless the reasons for doing so are compelling and clear.

USM testimony expressed clearly that House Bill 815 swept so broadly that large numbers of contracts would be delayed with no benefit whatsoever, undermining best business practices and initiatives focused on efficiency as much as effectiveness.

House Bill 853
(Senate Bill 626)
University System of Maryland - Pay It Forward Pilot Program and Tuition Freeze – Studies
USM Position: Oppose
Final Status: Unfavorable Report by Appropriations

Pay It Forward is an income-based funding mechanism for higher education tuition and fees, often simplistically oversold as providing "debt-free" higher education for current and future students by taxing graduates and former students a percentage of their income for at least 20 to 25 years. Pay It Forward presents many practical problems, most notably its potential to accelerate college cost growth and the feasibility of creating new fee collection mechanisms to implement the programs. Moreover, the costs need to be "front-loaded," which would mean raising revenue today on the promise that it would be repaid, in full, at a future date.

Last year, the University of Maryland, Baltimore (UMB) was asked to prepare an analysis of the impact of a "Pay It Forward, Pay It Back" pilot program for students enrolled in programs within dentistry, medicine, pharmacy, law, nursing, and social work with a 25 year repayment stream. In response, based on defined set of assumptions, UMB devised two scenarios. The first scenario assumed a fixed repayment of 3.5% of the salary of graduates over 25 years. The scenario yields a cumulative state cost in the 25th year of repayment of $3.6 billion. The first year state cost starts at $30.6 million growing to a maximum net annual state cost of about $126 million near the 10th year of repayment. The net state cost declines to $113 million in the 25th year. However, in the 25th year, only nursing attains the "break-even" point.

The second scenario assumed for each educational program a repayment percentage necessary to break even in the 25th year of repayment. Under this scenario, the cumulative cost of the program peaks at approximately $1.3 billion near the 15th year of repayment. The maximum net annual state cost of the program was determined to be about $116 million during the first year of repayment that gradually declines each year. By the 15th year of repayment, the program begins to recover a small portion of the state investment. The aggregate program breaks even by the 25th year of repayment based on an annual repayment as a percent of salary that varies by educational program.

House Bill 853 would require the USM Board of Regents to study the creation of a potential pilot program called "Pay It Forward," which would replace the current system of charging students tuition and fees to attend a constituent institution of USM. The bill also requires the Regents to examine whether public institutions of higher education could successfully implement a program that would guarantee that tuition rates would not be increased for incoming undergraduate students during four years of study at the institution. The study of a potential PIF pilot program must consider:

- Allowing students who are residents of the state and who qualify for admission to an institution or school to enroll in the institution or school without paying tuition or fees;
- Requiring each student participating in the pilot program to sign a binding contract to pay the state or the institution or school a percentage of the student's annual adjusted gross income for a specified number of years instead of paying tuition and fees;
- Specifying the number of years and the percentage of annual adjusted gross income for the contracts required based on current research;
- Establishing an immediate funding source for the first 20 years of the pilot program including a revolving fund to deposit payments made under the pilot program;
- Identifying the constituent institution or schools that would be best suited to participate in the pilot program;
- Allowing the program to vary by institution or school based on specified factors.

House Bill 853 would require that the separate four-year tuition rate study include an analysis of (1) the "Western Tuition Promise" offered by Western Oregon University in Monmouth, Oregon; (2) the "Finish in Four" program proposed in Florida; and (3) ways of mitigating the financial strain on an institution if the institution adopted a program that would guarantee that tuition rates would not be increased for incoming undergraduate students during four years of study at the institution.

Spurred by a 2012 policy paper entitled "Pay It Forward" by the Economic Opportunity Institute (EOI), the Oregon legislature passed HB 2838 in July 2013, giving Oregon's higher education institutions two years to study whether a "Pay It Forward, Pay It Back" plan should be piloted. In January 2014, the America Association of State Colleges and Universities (AASCU) joined by the American Association of University Professors, AFL-CIO, American

Federation of Teachers, National Education Association, and the Education Trust called Oregon's "Pay It Forward" proposal a simplistic "gimmick" and a "backdoor way" of accelerating the privatization of public higher education.

Proponents of the PIF model highlight that it opens access to higher education for more students as the cost of attendance is dramatically lowered, and students may pursue any career option with less concern over making student loan payments. Additionally, universities' budgets will be tied to the outcomes of their own graduates, which creates a new form of accountability.

In 1971, Yale University implemented the Tuition Postponement Option (TPO) until its awkward end in 1978. During that time, a total of 3,300 alumni participated in the program and were required to pay back 4% of their annual income. Unlike the PIF model, the TPO model pooled total student debt for each class and the cohort would continue paying back until the entire debt was paid off or 35 years had passed. Many alumni became very concerned that, as a class, the cohort's debt was not being paid off very quickly. Although enrollment in TPO ended in 1978, Yale had to partially bail out the program in 1999 and cancel all further payments prematurely in 2001 due to alumni backlash. While the pooled debt mechanism was unique to TPO, the long time period for planning and payback illustrates the complexity of operating similar alternative financial aid programs, even at a single, wealthy private institution.

House Bill 854
(Senate Bill 766)
Higher Education - College Admissions Outreach Program for High-Achieving Students – Establishment
USM Position: Support
Final Status: Unfavorable Senate Education, Health and Environmental Affairs

House Bill 854 would establish the College Admissions Outreach Program for High-Achieving Students to encourage more students who qualify for a Guaranteed Access (GA) Grant to enroll in an institution of higher education – especially an institution that is a good academic and financial fit for the student. Depending on available funding, House Bill 854 would allow MHEC to hire a half-time outreach specialist to implement the College Admissions Outreach Program for High-Achieving Students. In addition, MHEC general fund expenditures would increase by $20,000 in FY 2015 to design and print two promotional posters for every high school and produce an informational video. Revenues are not affected.

MHEC and the Maryland State Department of Education (MSDE), in collaboration with local boards of education, local superintendents, and institutions of higher education, would jointly administer the program.

In September of 2008, the USM launched Way2GoMaryland, our statewide information campaign to encourage more students in the 6th-through-10th grades and their parents/guardians to begin preparing for college early. Way2GoMaryland is a major component of USM's efforts to increase the college preparation, participation, retention, and graduation rates of students statewide. Specifically, Way2GoMaryland is designed to help:

- Motivate more students and their families to begin planning for college earlier, especially students from under-represented and non-traditional groups;

- Increase the number of well-qualified students from diverse backgrounds prepared to enter the college admissions pipeline;

- Encourage targeted populations to embrace the fact that college is both desirable and possible, with the appropriate planning and preparation; and

- Increase access to and use of information regarding secondary-school course selection, financial aid opportunities, and the college application process.

House Bill 854 would complement current and on-going efforts to educate students on their postsecondary education options by providing information on colleges, expected costs, and financial aid, as well as application fee waivers.

House Bill 885
(Senate Bill 632)
Income Tax Credit - Student Loan Payments
USM Position: Monitor
Final Status: Held in Committee

House Bill 885 and Senate Bill 632 would create a credit against the state income tax for qualified student loan payments equal to 50% of the amount paid on a qualified student loan during the tax year, not to exceed $2,500 effective July 1, 2014. The Comptroller would be required to adopt regulations to implement the provisions and specify the documentation necessary to claim the credit.

The Department of Legislative Services (DLS) estimated that General Fund revenues would decrease by at least $363.3 million in FY 2015 as a result of tax credits claimed against the personal income tax. DLS estimated further that future year revenue decreases would be driven by an annual increase of 7% in eligible student loan payments.

The USM assigned both House Bill 885 and Senate Bill 632 to "monitor" status due to the very large fiscal note, and the fact that the federal government has largely spoken on this matter as it applies to student loan interest. As background, personal interest you pay, other than certain mortgage interest, is not deductible on your tax return. However, if your modified adjusted gross income (MAGI) is less than $75,000 ($155,000 if filing a joint return) there is a special deduction allowed for paying interest on a federal student loan used for higher education. For most taxpayers, MAGI is the adjusted gross income as figured on their federal income tax return before subtracting any deduction for student loan interest. This deduction can reduce the amount of your income subject to tax by up to $2,500 in 2013.

The student loan interest deduction is taken as an adjustment to income. This means an eligible taxpayer can claim this deduction even if they do not itemize deductions on Schedule A (Form 1040) for the total costs of attending an eligible educational institution, including graduate school. These costs include amounts paid for the items such as tuition and fees, room and board, books, supplies, and equipment and other necessary expenses (such as transportation).

The Department of Legislative Services estimated that General Fund revenues would decrease by at least $363.3 million in FY 2015 due to tax credits claimed against the personal income tax. Future year revenue decreases reflect a 7% annual increase in eligible student loan payments.

House Bill 998
(Senate Bill 647)
Public Higher Education - Use of Funds – Prohibition
USM Position: Oppose
Final Status: Held in Committee; Budget Narrative Adopted

This legislation would have prohibited public universities from using any funds—general funds, tuition and fees, or institutional funds—for membership, meeting attendance, or for any other costs to participate with associations that publically support a boycott of any country's higher education institutions. The USM Presidents believed that this legislation would only serve to undermine academic freedom further and would set a troubling precedent.

While Senate Bill 647 and House Bill 998 would not prohibit an employee of a public university from using personal funds to belong to or participate in an organization described above, the USM presidents and the Council of University System Faculty (CUSF) voiced strong opposition to these measures.

In a February 24th letter delivered to the entire Maryland General Assembly, Chancellor Kirwan and every USM president condemned the actions of the American Studies Association (ASA) in announcing a boycott of Israeli academic institutions. Dr. Freeman Hrabowski, the president of the University of Maryland Baltimore County—the only USM institution with ASA affiliation—denounced the ASA’s move as “inconsistent with the tenets of academic freedom and open scholarly inquiry.” The presidents argued that “Institutions of higher education—especially public colleges and universities—have an obligation to protect the free flow of people and ideas, to promote debate and scholarship that examines complex issues, and to respect the First Amendment rights to freedom of association and speech of faculty, staff, and students. Academic freedom is the cornerstone upon which higher education is built.”

It is for these very same reasons that the Chancellor, the Board of Regents and all 12 USM presidents also stood opposed to Senate Bill 647 and House Bill 998. The USM leaders argued further that the membership prohibition at the heart of this legislation would have a counterproductive effect, restricting the impact of USM faculty who might effectively and persuasively speak out against actions such as the ASA boycott and perhaps reverse them.

As a compromise, the General Assembly added language to the operating budget.

The General Assembly finds that:

(l) Intellectual and academic freedom are essential to democracy, human rights, human enlightenment, and human progress;

(2) Academic boycotts against institutions of higher education and their faculty are anathema to free societies and free minds; and

(3) Official state control of intellectual inquiry and activity is a mark of authoritarian Societies and is strongly disfavored in a pluralistic democratic culture.

The General Assembly declares that it is the policy of the State to:

(l) Reaffirm our Declaration of Cooperation with the State of Israel that has resulted in the successful exchange of commerce, culture, technology, tourism, trade, economic development, scholarly inquiry, and academic cooperation for well over two decades;

(2) Oppose Maryland public institutions' support of the movement known as Boycott, Divestment and Sanctions, designed to delegitimize the democratic State of Israel;

(3) condemn the American Studies Association's boycott against institutions of higher education in Israel;

(4) affirm intellectual and academic freedom in Maryland and our reputation as a leader in intellectual inquiry and dialogue; and

(5) strongly encourage that all colleges, universities, faculty, staff, and students protect and advance the open flow of public discourse, debate, and academic freedom.

House Bill 1008
(Senate Bill 767)
Service Contracts - Notice and Reporting Requirements
USM Position: Oppose
Final Status: Unfavorable Report by Health and Government Operations; Withdrawn

House Bill 1008 would have expanded the application of an explicit preference in state law to use state employees in service contracts entered into by agencies with independent personnel systems or services provided outside of state-operated facilities. Except that House Bill 1008 increases the administrative burden on the Department of Budget and Management (DBM), which would now have to be in the untenable position of reviewing and certifying a larger number of service contracts for the USM and a number of others with independent personnel systems. The USM urged the committee to issue an unfavorable report on House Bill 1008.

House Bill 1025
State Personnel - Contractual Employees - Filling of Vacant Positions
USM Position: Oppose unless Amended
Final Status: Passed with amendments

House Bill 1025 would require the Maryland Department of Transportation (MDOT), the USM, Morgan State University (MSU), St. Mary's College of Maryland (SMCM), and Baltimore City Community College (BCCC) to include in their personnel policies a preference for hiring contractual employees to fill a vacant position in the same or similar classification in which the contractual employee is employed. It also requires the State Personnel Management System (SPMS) to institute various policies and preferences regarding the hiring of contractual employees to fill vacant positions.

Currently, USM institutions do not maintain any formal hiring preference systems and see the potential for negative consequences if required to develop a preference program for a single group of employees. Even more importantly, USM believes that the goals of the proposed legislation are met through existing sound and fair recruitment and hiring practices. The USM agreed completely with the principle that good performance and a record of reliability by a contractual employee should receive special notice when that employee applies for a regular job at an institution. As a function of ongoing recruitment practice and simple common sense, USM institutions put that principle into practice on a regular basis. Thus, a well-performing contractual employee already possesses an obvious and inherent advantage in applying for a similar position on campus. On the other hand, it is equally clear an institution should not afford an advantage to an applicant whose on-campus work record has been mediocre or substandard.

USM affirmative action efforts extend to groups, such as veterans and persons with disabilities, for whom hiring preferences sometimes apply in other employment settings. In addition, under USM policies, employees who have been laid off enjoy specified reinstatement rights. Many campuses post job openings internally before they are announced to the public, as a matter of practice and as set out in some institutions' collective bargaining agreements. These early postings are available to both regular and contractual employees.

As written, House Bill 1025 would have posed particular problems because it would have mandated by statute a preference program for one single group of employees. In the USM, this would have the anomalous effect of giving contractual employees an advantage over other qualified applicants for whom the USM makes special recruitment efforts, including current regular employees and individuals within the scope of our affirmative action policies and activities. The unintended consequences of creating a formal preference program for a single class of employees are problematic.

The USM requested that the Appropriations Committee give House Bill 1025 an unfavorable report, but offered revised amendments to mitigate the impacts of the original bill.

House Bill 1065
Higher Education - Transfer Agreement - Number of Credits Allowed
USM Position: Oppose
Final Status: Unfavorable Report by Ways and Means; Withdrawn

House Bill 1065 would have mandated the Maryland Higher Education Commission, in collaboration with the public institutions of higher education, to develop and implement regulations whereby 90 credits (not the current 60) of general education, elective, and major courses that a student earns at any community college in the State may be transferrable to all USM institutions.

House Bill 1166
(Senate Bill 804/1056)
Maryland Second Chance Act of 2014
USM Position: Monitor
Final Status: Held in Committee

This legislation authorizes a person to petition a court to shield the person's court and police records relating to a "shieldable conviction" of the person no earlier than three or five years (depending on the offense) after the person satisfies the sentence imposed for the conviction, including parole, probation, or mandatory supervision. Under current law, a "shieldable conviction" means a conviction of specified crimes committed by an individual younger than age 26. Under this legislation, an individual would be able to render a court record and police record relating to a conviction from a list of 13 specified crimes inaccessible by members of the public – including a criminal conviction related to the possession and/or distribution of controlled dangerous substances such as heroin, methamphetamine, and cocaine.

The legislation would prohibit an educational institution from requiring a person who applies for admission to disclose shielded information about criminal charges or expel or refuse to admit a person solely because of the person's refusal to disclose information about shielded criminal charges. Should any individual or institution violate the provisions of this bill, they could be found guilty of a misdemeanor and be fined up to $1,000.

The shielding for controlled dangerous substances raised concerns among USM institutions. Administrations believe that it is in the best interest of student safety to be aware of an individual's criminal conviction for the possession, use and/or distribution of hard drugs. Specifically, the University of Maryland, Baltimore (UMB) expressed concerns that most of the degrees that it offers (JD, MD, DDS, MSW, PharmD) are required by professional licensing boards in order for the degree recipient to practice in Maryland. Health occupation boards and the courts are exempted from the bill and would have access to an applicant's full criminal record in making their licensing decisions. Under the Second Chance Act, UMB's professional practice degree programs will not have access to the same information that the licensing bodies. This disparity raised a concern that students might complete one of the professional practice degree programs at great expense, only later to be barred from licensing because of criminal conduct they engaged in prior to enrolling. In addition, most professional practice degree programs have substantial clinical requirements. Some of these clinical experiences (i.e. nursing) occur at third-party organizations that conduct their own criminal background checks. Students might then be denied a clinical placement and the school, not knowing their background, would not be in a position to help them further.

House Bill 1194
(Senate Bill 1039)
Historically Black Colleges and Universities - Evaluation
USM Position: Monitor
Final Status: Held in Committee

As originally drafted, this legislation would have mandated that the Governor include a total of $3.4 billion over 10 years in operating and capital funds for Maryland's Historically Black Institutions (HBIs) from fiscal 2016 through 2025. In the end, the legislation was amended. MHEC, in consultation with the Department of Budget and Management, must contract with a third party to conduct an evaluation of the needs of Maryland's HBIs in order for them to be comparable and competitive with other public universities in the state. The evaluation must serve as a basis for the development of a plan to ensure the long-term stability, comparability, and success of the HBIs.

The study must include an evaluation and recommendation in the following areas:

(1) Institutional resources and state funding, including the 10-year enhancement plans developed by the HBIs in 2013;

(2) Affordability for students and adequacy of student financial aid;

(3) College readiness of students and the programs and strategies needed to improve student success;

(4) Degree completion;

(5) Proportion of full-time faculty; and

(6) Any other issues pertaining to the long-term success of the HBIs.

The evaluation must also review recent studies on HBIs and propose a funding plan to meet the institutional needs identified in the report and recommendations. The deadline to submit the recommendations to the Governor and General Assembly is December 31.

In testimony, representatives of USM's HBIs discussed multi-year plans, developed at the request of the Legislative Black Caucus of Maryland and submitted to MHEC, and discussed short and long-term strategies on program enhancement, student support services and faculty support.

House Bill 1203
Institutions of Higher Education - Open Housing Policies – Prohibited
USM Position: Oppose
Final Status: Unfavorable Report by Appropriations

Student affairs representatives from Towson University (TU), University of Maryland, College Park (UMCP) and University of Maryland Baltimore County (UMBC) testified in opposition to House Bill 1203. The bill would have prohibited USM institutions from having an open housing policy that allows students of different genders to live together in the same room. Under the bill, an institution that violated the prohibition may not receive any state operating or capital funding until the institution is in compliance with the prohibition.

Generally, "open housing" is an arrangement whereby two students, regardless of sex, gender, or gender expression, are permitted to share a room in a residence hall. The primary reason for such a policy is to provide housing options that take into consideration varying identities and preferences, and to ensure a safe and comfortable environment for all students. Open housing is not intended—and in fact is highly discouraged—for romantic couples.

Several public institutions of higher education in Maryland have gender-neutral housing policies, including TU, UMCP, and UMBC. UMCP offers a program called Apartment Living for Students of Different Genders that allows men and women to live within the same apartment. The housing option is offered through an application process and is typically reserved for third and fourth-year students. Gender-neutral housing options are available at Towson University within designated living areas for first-year, transferring, and returning students of any gender identity who choose to live together in rooms or apartments. SMCM has three housing options that follow the college's open housing policy, which allows students to choose their roommates independent of gender. Their policy was instituted in fall 2013.

The student affairs representatives emphasized that there are some students for whom traditional, same-sex room assignments are not ideal or appropriate. An open housing policy recognizes that housing practices evolve to meet the needs of students to create an inclusive, welcoming environment.

House Bill 1215
(Senate Bill 785)
Higher Education - 2+2 Transfer Scholarship
USM Position: Support
Final Status: Passed

These bills alter the defunct Community College Transfer Scholarship Program to be the "2+2 Transfer Scholarship Program" for students who earn an associate's degree at a Maryland Community College and transfer to a public four-year institution.

An applicant must have earned an overall grade point average of at least 2.5 and received an associate's degree from a Maryland community college. An applicant must also be accepted and enroll in a public four-year institution by the fall semester following completion of the associate's degree, beginning with the fall 2014 semester and completed the federal Free Application for Federal Student Aid (FAFSA) demonstrating an expected family contribution (EFC) of $10,000 or less as reported on the student's FAFSA.

Each annual scholarship award must be for $1,000, unless it is for a student who enrolls in a science, teaching, engineering, computer science, mathematics, or nursing program at a public four-year higher education institution, in which case the award must be $2,000. To retain a scholarship the recipient must maintain a 2.5 GPA each academic year or provide evidence satisfactory to the Office of Student Financial Assistance (OSFA) of extenuating circumstances.

In the last several years USM has recognized that more resources need to be directed toward the needs of transfer students, as they now constitute a substantial part of our overall student population (approximately 12,000 per year). Additionally, the USM has performed analyses that demonstrate that financial aid packages of even $1,000 can make a significant difference in the ability of students to continue their studies.

House Bill 1222
Ruth M. Kirk Public Social Work Scholarship
USM Position: Support
Final Status: Passed

This bill establishes the Ruth M. Kirk Public Social Work Scholarship within the existing Workforce Shortage Student Assistance Grants administered by the Maryland Higher Education Commission (MHEC). The Workforce Shortage Student Assistance Grants provide financial aid to students who agree to work in Maryland in designated critical shortage fields upon completion of their studies. The program requires grant recipients to work for one year in Maryland in workforce shortage fields for each year that they receive the grants.

Dr. Richard P. Barth, Dean of the University of Maryland, Baltimore School of Social Work, testified in support of this bill citing the need to increase the support available to social work students who, by the time they graduate from a master's program in social work, typically have debt in excess of $50,000. The Ruth M. Kirk Public Social Work Scholarship program would add to a very small array of scholarships now available to social work students. Students at Bowie, Coppin, Frostburg, Hood, McDaniel, Salisbury, UMBC, University of Maryland, Baltimore, Morgan State, and Sojourner-Douglas would benefit from this scholarship.

The benefits of this program will extend well beyond reducing the debt burden for individuals. The Affordable Care Act, the growing number of veterans with complicated behavioral health concerns, and the expansion of federally qualified health and behavioral health programs all call for an expanding number of social workers to provide preventive and intervention mental health, substance abuse, aging, and employment assistance services on behalf of the people of

Maryland. Recent estimates from the Health Services and Resources Administration suggest that the nation may be short 15,000 social workers, in the next decade. Marylanders will need their share. Expanding scholarship support should help us to meet the workforce needs for social workers providing public services in Maryland.

House Bill 1224
(Senate Bill 989)
State Personnel - Collective Bargaining - Sworn Police Officers - Binding Arbitration
USM Position: Oppose
Final Status: Unfavorable Report by Appropriations

House Bill 1224 would have authorized either side in an unresolved collective bargaining negotiation between the University System of Maryland (USM), Morgan State University (MSU), St. Mary's College of Maryland (SMCM) or Baltimore City Community College (BCCC) and the exclusive representative of sworn police officers employed at those institutions to request, under specified circumstances, that an arbitrator be employed to resolve outstanding issues.

The USM expressed serious concerns with House Bill 1224 allowing the bargaining representative of the police officers employed by a state higher education institution to bypass the impasse process set out in Maryland's Collective Bargaining Act and effectively replace it with binding arbitration.

The state's collective bargaining laws provide for a carefully crafted process to address situations in which an institution and an exclusive bargaining representative reach impasse. The current law authorizes parties to a labor negotiation to request the appointment of a neutral fact finder if negotiations are not completed by October 25 in a given year. The fact-finder has the power to hold hearings, take testimony under oath, and issue subpoenas. The law also requires the fact finder to then make recommendations regarding matters that are in dispute to the Governor, the President of the Senate, and the Speaker of the House as well as the negotiating parties. Moreover, it requires that any Memorandum of Understanding (MOU) provision requiring legislative approval or appropriation of funds must be "recommended to the Governor for submission to the General Assembly."

House Bill 1317
Higher Education - Maryland Technology Internship Program
USM Position: Support
Final Status: Passed

House Bill 1317 establishes a Maryland Technology Internship Program to connect college and university students, recent graduates, and veterans with small innovative businesses in the high-growth technology sector through internships. The Shriver Center at UMBC would administer the program. The bill mandates that the Governor include in the state budget approximately $250,000 in funds for the reimbursement of internship stipends and program administration. Money awarded may be used to reimburse a technology-based business up to 50% of a stipend paid to an intern, but not more than $1,800 for the first semester and $1,200 for the second semester. The award may not total more than $3,000 annually for a business. The purposes of the program include:

- Encouraging high-achieving students at institutions of higher education in the state to remain in the State after graduation;

- Increasing student understanding of employment opportunities in the state;

- Creating connections between students and community business leaders and entrepreneurs and develop opportunities for student involvement in communities;

- Assisting small technology-based businesses in developing internship programs and recruiting future employees; and

- Fostering business retention and development, job creation, workforce development, and new investment in the State.

Four categories of individuals may be eligible for participation in the program: (1) a student enrolled at an eligible institution of higher education in the state who maintains a cumulative 3.0 grade point average (GPA) each academic year; (2) an individual who, within 12 months before the date of application for the program, graduated from an eligible institution of higher education in the state and who maintained a cumulative 3.0 GPA during the latest academic year the individual was enrolled as a student; (3) an individual who graduated from a high school in the state and who is enrolled at an eligible institution of higher education outside the state and maintains a cumulative 3.0 GPA each academic year; and (4) an individual who is a veteran.

These eligible individuals must also commit to working at least 10 hours each week or a total of 120 hours during a spring, fall, or summer semester; attend an orientation session provided or approved by the Shriver Center; and meet any other criteria established by the Shriver Center.

In order for a business to qualify for participation in the program, a business must: (1) be located in the state; (2) be a technology-based business; (3) have 150 or fewer employees; (4) commit to hosting an intern for at least 10 hours each week or a total of 120 hours during a spring, fall, or summer semester; (5) provide a detailed description of an intern position with the business; and (6) provide proof that a representative has attended an orientation or training program provided or approved by the Shriver Center.

House Bill 1408
Public Institutions of Higher Education - Smoke-Free or Tobacco-Free Campuses – Funding
USM Position: Oppose
Final Status: Unfavorable Report by Appropriations

House Bill 1408 would have required that, if a public institution of higher education maintains a smoke-free or tobacco-free campus, any state support from the general fund provided to the institution be reduced by a percentage equal to the ratio of revenues generated by the taxes on tobacco products under Title 12 of the Tax-General Article divided by all revenues credited to the general fund.

The Department of Legislative Services estimated that general fund expenditures for public four-year institutions of higher education and local community colleges could decrease by a as much as $39.7 million in FY 2015. State aid for the USM decreases by $33.8 million in FY 2015.

House Bill 1432
(Senate Bill 666)
Higher Education - Teaching Fellows for Maryland Scholarship Program
USM Position: Support
Final Status: Passed

These bills rename the defunct Maryland Teacher Scholarship to be the Teaching Fellows for Maryland Scholarship. Several deans from USM colleges of education testified in favor of the Teaching Fellows for Maryland Scholarship, which alters the eligibility criteria, eligible institutions, the service obligation requirements, and the amount of the award. Under the new provisions, each award would be 100% of the equivalent annual tuition, mandatory fees, and room and board of a resident undergraduate student or graduate student at a public senior institution of higher education – approximately $22,166 per year. The bill mandates that the Governor include in the state budget enough funds to award 40 new scholarships each year up to 160 a year once the scholarship is fully phased-in in fiscal 2019. The bill would take effect on July 1, 2014.

The original bill excluded private nonprofit institutions of higher education, but they have since been added to the list of eligible institutions. To be eligible for a Teaching Fellows for Maryland Scholarship, an individual must have graduated from a Maryland high school or be a Maryland resident; earned an overall grade point average (GPA) of at least 3.3; and achieved a certain score on the reading and math portions of the SAT. For each year a scholarship is awarded, a teaching fellow under the program must complete a corresponding teaching service obligation at a public elementary, middle or secondary school that has at least 50% of the students in the school eligible for free and reduced-price meals.

Senate Bill 18
Higher Education - Military Dependents - In-State Tuition
USM Position: Monitor
Final Status: Held in Committee
Senate Bill 24
Higher Education - Military Dependents - Nonresident Tuition Exemption
USM Position: Monitor
Final Status: Unfavorable Report by Education, Health, and Environmental Affairs

The USM expressed deep concern before a Senate committee on Senate Bill 18 and Senate Bill 24. Senate Bill 18 would exempt payment of nonresident tuition for eligible children and spouses of retired and active duty military members who were ever stationed in Maryland. Senate Bill 24 went further by granting a nonresident tuition exemption for the spouses and dependents of active duty and retired military regardless of where they live or reside.

Under Senate Bill 18 and Senate Bill 24, the USM testified that it would be impossible to predict how many spouses and dependents of active duty or retired military would take advantage of in-state tuition. The Washington Metropolitan Region is a hub of defense activity, thereby making the area tremendously attractive to military personnel at all levels in their career and family status. The fiscal impact, because it's unknown, would not necessarily be mitigated by the USM's well-regulated policy limiting nonresident enrollment as a proponent of the bills argued.

As a matter of public policy, nonresident tuition exemptions have prioritized at least some measure of physical presence within the state's border or a substantive connection to Maryland. The rationale bestowing a grant of in-state tuition to the child of a taxpayer in Virginia, retired military or otherwise, is one the General Assembly and Governor would have to justify.

Under current law, active duty military personnel, their spouse and dependents, are exempt from paying nonresident tuition if they are stationed, domiciled or otherwise residing in the state of Maryland. In addition, it provides this benefit to veterans who had previous ties to the state, i.e. graduated from secondary school or received a diploma in Maryland or attended a public or private secondary school in the state for at least three years.

Senate Bill 169
Maryland Higher Education Commission - Review of Duplicative Academic Program Proposals – Revisions
USM Position: Oppose
Final Status: Held in Committee

Senate Bill 169 requires MHEC to review objections to proposals for new academic programs or substantial modifications to existing programs by initiating a fact-finding process that includes the receipt of witness testimony and the weighing of evidence. MHEC must make a determination on whether an unnecessary duplication of programs exists and, if so, whether the program has sound educational justification, upon a request from one of the public historically black institutions (HBI) in the State. MHEC's determination in this context would be subject to judicial review in the circuit court.

The USM, MICUA, and MHEC provided oral and written testimony in EHEA. In addition, a joint statement was issued by USM and MICUA expressing the sentiment that ***"…Senate Bill 169 will have a polarizing and negative effect and prolong indefinitely the program duplication argument in Maryland's General Assembly and the courts."*** As has been widely reported, a coalition of individuals filed suit in federal district court alleging that the state of Maryland has not removed all vestiges of a segregated higher education. The USM is currently working with the state and the coalition in a mediation process to address some of the issues raised in the court case. Both the USM and MICUA respectfully asked that legislators allow the mediation process to be completed and the courts to render their final ruling before proceeding with legislation.

The Maryland higher education community has worked hard to continually examine unnecessary duplication. At the same time, the focus needs to be on the preservation of a timely process for reaching decisions on program approvals without jeopardizing the future of Maryland students.

Senate Bill 237
(House Bill 381)
Human Relations - Employment Discrimination - Protections for Interns
USM Position: Support
Final Status: Held in Committee

Senate Bill 237 expands protections for "interns" by establishing that an intern is considered to be in an employment relationship with an employer for specified purposes, including protection against discrimination.

The bill defines an "intern" as an individual who performs work for an employer for the purpose of training if (1) the employer is not committed to hire the individual performing the work at the conclusion of the training period and (2) the employer and the individual performing the work agree in writing that the individual performing the work is not entitled to wages for the work performed. In addition, the work performed must (1) supplement training given in an educational environment that may enhance the employability of the individual performing the work; (2) provide experience for the benefit of the individual performing the work; (3) not displace regular employees; (4) be performed under the close supervision of existing staff; and (5) provide no immediate advantage to the employer providing the training and may occasionally impede the operations of the employer.

The bill also establishes that an intern is considered to be in an employment relationship with an employer for the purposes of (1) the employee protections and administrative remedies under the State employment discrimination laws and (2) access to any internal procedure the employer has for resolving a complaint by an employee of sexual harassment or other discrimination. The bill's provisions do not create an employment relationship between an employer and an intern for the purposes of certain monetary and injunctive remedies under the state employment discrimination laws and any provision of the Labor and Employment Article or the State Personnel and Pensions Article.

Senate Bill 523
Task Force to Study a Program for Interest-Free Loans to STEM College Students in Maryland
USM Position: Monitor
Final Status: Held in Committee

Senate Bill 523 would establish a task force to study interest-free loans for STEM majors. Staffed by MHEC, the task force would be required to report their findings by June 30, 2015 and make recommendations regarding:

- Interest-free loans or other financing methods employed by other states for students attending college within those states, including those limited to students engaged in STEM curricula;

- The use of public-private partnerships to provide funding, in whole or in part, for students engaged in STEM curricula who are employed in the state following completion of a course of study;

- The potential benefits of creating additional technology jobs in the state related to employment that is connected with research or similar activities at Maryland military installations; and

A few states and some non-profit organizations offer interest-free student loans. For example, Maryland's Central Scholarship Bureau, a non-profit organization, offers a certain amount of interest-free student loans to certain individuals who live within 200 miles of Baltimore City. Also, the Massachusetts No Interest Loan (NIL) program was created to provide students a need-based zero-interest loan. Students have a period of 10 years to repay their NIL loans. The minimum initial NIL is $1,000, with a maximum award amount of $4,000 per academic year.

Senate Bill 610
National Guard - Tuition Assistance - Members of Disbanded Units
USM Position: Monitor
Final Status: Passed

Senate Bill 610 provides for continuing tuition assistance for a member of the Maryland National Guard already receiving assistance from the Military Department whose unit has been disbanded on or after September 1, 2013, due to budgetary cuts, Base Realignment and Closure, or any other reason.

The Maryland Military Department reports that in the past two years, only one airman who was a member of a disbanded unit received tuition assistance. The annual tuition assistance provided to that airman was $1,500. Although the number of units that may eventually disband is unknown, it is assumed that the bill does not significantly affect state finances. Under the bill, such an affected Maryland National Guard member whose unit has been disbanded on or after September 1, 2013, may satisfy the requirements for tuition assistance provided under current law by transferring to another active duty, reserve, or National Guard Unit in the state or in another state. If a member who receives such tuition assistance is offered early separation by the military following the disbanding of the member's unit, the member is excused from specified requirements to remain an active member for a certain time period following the completion of the course.

Senate Bill 801
Teach It Forward Act of 2014
USM Position: Oppose
Final Status: Unfavorable Report by Education, Health, and Environmental Affairs

In the same vein of House Bill 853's "Pay-it-Forward" schematic, Senate Bill 801 would require the Maryland Higher Education Commission (MHEC) to develop a Maryland "Teach It Forward" Pilot Program that allows students who intend to enroll in teacher preparation program at a public institution without paying tuition or fees. In return, each participating student must enter into a binding contract to pay the state a certain percentage of the student's adjusted gross income for up to 20 years after graduation. MHEC would be responsible to select the public institution of higher education to participate. Senate Bill 801 dictates that, beginning in fall 2015, the pilot program must last for two academic years with up to 50 students per academic year in each cohort. The Governor must include in the budget for the participating institution of higher education an amount equivalent to the tuition and fees otherwise owed by the participating students.

Senate Bill 806
Criminal Law - Hazing - Penalty
USM Position: Support
Final Status: Held in Committee

The USM testified in support of Senate Bill 806. Senate Bill 806 would increase the maximum monetary penalty for hazing from $500 to $5,000. The bill retains the maximum incarceration penalty for hazing under existing statute (imprisonment for up to six months).

Under current law, the statutory prohibition on hazing dictates that a person may not recklessly or intentionally do an act or create a situation that subjects a student to the risk of serious bodily injury for the purpose of an initiation into a student organization of a school, college, or university. Violators are guilty of a misdemeanor, punishable by imprisonment for up to six months and/or a $500 maximum fine. The implied or express consent of a student to hazing is not a defense.

Senate Bill 823
Maryland College Education Export Act of 2014
USM Position: Support
Final Status: Held in Committee

Senate Bill 823 would have authorized the Maryland Higher Education Commission (MHEC) to enter into the State Authorization Reciprocity Agreement (SARA), and it exempts an institution that participates in SARA from being required to register with MHEC within three months of enrolling the first Maryland student in a fully online distance education program.

SARA is an agreement among member states, districts, and territories that establishes comparable national standards for interstate offering of postsecondary distance education courses and programs. It is intended to make it easier for students to take online courses offered by postsecondary institutions based in another state. SARA is overseen by a national council and administered by four regional education compacts, including SREB to which Maryland belongs. SARA membership is voluntary and states may choose to join SARA through the regional compact to which they belong. SARA participation is conferred institution-by-institution and, in Maryland, must be authorized by MHEC.

On May 6th, the University of Maryland, University College (UMUC) will host a briefing at their Adelphi campus from noon – 4:00 p.m. Several legislators and other higher education segments have been invited to discuss Maryland's possible SARA participation in 2015.

In addition, the SARA's national committee is reviewing the application process focusing on ways in which states can demonstrate how they will monitor their SARA participants to ensure compliance and oversight with SARA objectives.

Senate Bill 833
(House Bill 1508)
Educational Agencies and Institutions - Education Records - Disclosure of Personally Identifiable Information
USM Position: Oppose
Final Status: Unfavorable Report by Education, Health, and Environmental Affairs; Withdrawn

Senate Bill 833 would have limited the disclosure of personally identifiable information from education records by an educational agency including an institution of higher education. Individual violators, excluding an educational agency or institution, are subject to maximum penalties of: (1) $1,000 for a first violation; (2) $5,000 for a second violation involving the same student; and (3) $10,000 for any subsequent violation involving the same student.

The USM testified in opposition to Senate Bill 833 and remains committed to the protection of student data and privacy, but the specific provisions of the bill would effectively prevent a broad swath of activities that are at the core of the university's mission. Additionally, many of the processes put into place to improve the effectiveness and efficiency of the USM's institutions would be stopped or significantly curtailed, and there are security risks that would be created in fulfilling the provisions of the bill that would increase the chance of intrusion and data loss. USM estimated that the cost to implement the bill would amount to millions as services and contracting were modified. Specific issues with the bill include:

- Senate Bill 833 overlaps with existing state and federal statutes such as FERPA, HIPAA including the restriction on disclosure and protections for Personally Identifiable Information (PII) data.

- PII is redefined. PII data has been previously defined in state law and in federal education statute and regulations (including FERPA). Although this may initially appear to be a highly technical issue, virtually the entire operating data infrastructure in the state is built on this common understanding of PII. Provisions in Senate Bill 833 would expand the definition substantially. Directory data, which has been eligible for disclosure in many circumstances, would now become PII.

- Senate Bill 833 would forbid the disclosure names of students without explicit permission. A very partial list of examples of how this might impact operations include: USM institutions could not let students know the names of their classmates, list the names of our graduates in the program handed out at graduation, and student athletes could not be acknowledged, by name, in press releases or at a game.

The practical result of Senate Bill 833 is that any data associated with the student, and essentially any data that an institution might disclose is potentially PII data. This would place every data worker in education at risk of tens of thousands of dollars in penalties based on a post-facto standard of successful inference by outside individuals.

A similar privacy bill by the same sponsor, Senate Bill 30 entitled *"Educational Institutions - Personal Electronic Account - Privacy Protection"* also received an unfavorable report by Education, Health, and Environmental Affairs and was subsequently withdrawn.

Senate Bill 869
Public Institutions of Higher Education - Restrictions on Altering Building Names
USM Position: Oppose
Final Status: Held in Committee

Senate Bill 869 would have prohibited the Board of Regents from changing the name of any campus building without approval from the Governor and the General Assembly. If a campus building is demolished in order to construct a new campus building and the new campus building will be used for the same purpose as the existing campus building, the name of the existing campus building must be transferred to the new campus building, unless a private donor financed at least 50% of the total cost of the new campus building.

According to policy, for constituent institutions of USM, the building naming authority and the authority and responsibility to remove a name lies with the Board of Regents of USM. The policy states that it wishes to encourage opportunities for significant philanthropy to its member institutions through the naming of major facilities and academic programs, but any such naming must undergo a high level of consideration and due diligence to ensure that the name comports with the purpose and mission of USM and its institutions.

Requests made to the Board of Regents of USM to name a new facility or renovated existing facility must comply with the guidelines. The proposed gift should contribute significantly to the realization or completion of a facility or the enhancement of a facility's usefulness to the university.

Senate Bill 1000
Historically Black Colleges and Universities - International Education
USM Position: Monitor
Final Status: Held in Committee

Senate Bill 1000 would require each Historically Black Institutions (HBIs) to develop and implement a plan for a program to promote international education as a part of curricular and extracurricular life at the college or university to ensure that students are prepared to meet the challenges of a global society.

The plan developed and implemented under this subsection shall include:

(1) An implementation strategy and a timeline for meeting goals within the plan;

(2) A description of the way the college or university promotes international education among its students and faculty; and

(3) A description of how the college or university plans to enhance international education if improvement is needed.

Senate Bill 1098
Public Institutions of Higher Education - Sale of Textbooks – Audits
USM Position: Support with Amendment
Final Status: Held in Committee

As written, Senate Bill 1098 bill would have required the Office of Legislative Audits (OLA) to conduct an annual audit by July 1, 2015, and each year thereafter of each public institution of higher education to ensure compliance with provisions of current law regarding the sale of textbooks. Each audit must be for the period beginning March 1 of the previous year and ending on the last day of February of the year the report is due. By Sept. 1, 2014, the Legislative Auditor must submit a report on the findings of an initial audit of the 2011, 2012, and 2013 years to MHEC and the General Assembly.

The Department of Legislative Services estimated that general fund expenditures would increase by at least $555,400 in FY 2015 for OLA to hire one full-time senior auditor and six full-time and one part-time (25%) staff auditors to conduct the required audits. In addition, more contractual staff (at least 94.0) at a total cost of at least $1.2 million would be needed to complete the initial audits due September 1, 2014.

As amended, the Office of Legislative Audits shall conduct a fiscal/compliance audit of USM textbook compliance at least once every 3 years, as part of regularly scheduled audits. A fiscal/compliance audit conducted by the Office of Legislative Audits shall include:

(1) Examination of financial transactions and records and internal controls;

(2) Evaluation compliance with applicable laws and regulations;

(3) Examination electronic data processing operations; and

(4) Evaluation of the compliance with applicable laws and regulations relating to the acquisition of goods and services from Maryland Correctional Enterprises.